



Central Waterfront Committee (CWC) to oversee development of the waterfront conceptual design and framework plan, ensuring robust and innovative public engagement, identifying public and private funding sources, and establishing the foundation for a lasting civic partnership; and

WHEREAS, in August 2012, the Council adopted Resolution 31399, which stated the City's support of the Central Waterfront Concept Design and Framework Plan based on broad and inclusive public engagement over two years; and

WHEREAS, Resolution 31399 endorsed a Central Waterfront Strategic Plan (Strategic Plan), which established a funding plan and set of action steps to implement improvements to Seattle's Central Waterfront, including endorsement of a funding strategy which called for leveraging a mix of public, private, and philanthropic sources to achieve the public's vision for the Central Waterfront; and

WHEREAS, through Resolution 31399 Council recognized that other cities had successfully established relationships with non-profit organizations to provide consistent, strong leadership to realize visionary plans for complex signature public spaces; and

WHEREAS, the Strategic Plan recommended that the City develop long-term relationships with third-party, non-profit entities to perform a range of services, including operations, maintenance, and programming to provide a safe, accessible, and high-quality parks experience to the public; and

WHEREAS, via Resolution 31399, the City supported the creation of the non-profit Friends of Waterfront Seattle (Friends) to advocate for implementing the Central Waterfront Framework Plan and Concept Design;

WHEREAS, Friends was incorporated in 2012 to champion the "Waterfront Seattle" Program through outreach initiatives, to raise the funds necessary to complete its construction and to ensure the Central Waterfront Improvement Program's long-term success as a vibrant public destination through ongoing maintenance and programming; and

WHEREAS, in March 2014 the Central Waterfront Committee, citing other cities' successful arrangements

with non-profit organizations in managing public spaces, recommended the City consider a direct contract with Friends to perform a range of services for the renovated Central Waterfront, including operations and management; and

WHEREAS, in August 2014, Seattle voters approved creation of the Seattle Park District, and funds collected by the District pay for operations and maintenance of Seattle parks, including an annual \$3.5 million budget dedicated to operation and maintenance of the Central Waterfront parks and public spaces; and

WHEREAS, in 2015, Seattle City Council adopted Ordinance 124865 authorizing execution of an Agreement for Activation and Programming of Westlake Park and Occidental Square Park, which transferred programming, management, concessions, and most permitting responsibilities of Westlake Park and Occidental Square Parks to the Downtown Seattle Association (DSA); and

WHEREAS, since the signing of that Agreement, the DSA has partnered with Friends, Seattle Parks Foundation, Alliance for Pioneer Square, and the Parks and Recreation Department to successfully demonstrate that non-profit partnerships for programming and activation of public spaces can increase access, vibrancy, and safety for all users; and

WHEREAS, since July 2015, Friends has been working with the City to implement a pilot program to provide programming and activation along certain sections of the Central Waterfront; and

WHEREAS, in September 2016, the City and Friends entered into a joint funding agreement to construct the Pier 62/63 Phase 1 Rebuild, in which Friends committed to contributing \$8 million of the \$29 million cost; and

WHEREAS, in the Pier 62/63 Phase 1 Rebuild joint funding agreement, the City and Friends indicated their intent to enter into an Operating Agreement for the Operation and Maintenance of the renovated Piers; and

WHEREAS, the City and Friends seek to develop a partnership to provide operations and management services to the Central Waterfront in order to protect the investment of public and private individuals and

organizations; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR  
CONCURRING, THAT:**

Section 1. Central Waterfront Guiding Principles. The City of Seattle (City)

intends to complete the planned improvements to the Central Waterfront consistent with the Central Waterfront Guiding Principles (Guiding Principles) endorsed in Resolution 31264, creating a public asset that engages the entire city, remains focused on public uses and activities that attract people from all walks of life, and provides a “waterfront for all.” The City’s funding plan and subsequent efforts to complete the Central Waterfront improvements will be guided by the Guiding Principles called for in that resolution. The City expects outcomes from the Central Waterfront Improvements to be consistent with the City’s Race and Social Justice Initiative, such as:

- improved public spaces that encourage use by people of all ages, incomes, and abilities, and support free expression; and
- public access to high-quality parks and recreation, enhanced by regular programming, concessions that support the public’s use and enjoyment of the Central Waterfront, and free public access to civic and cultural events; and
- living wage jobs associated with operating and maintaining waterfront parks and public spaces for local citizens regardless of their age, ethnicity, gender, or sexual orientation.

Section 2. Overall Funding Plan. The City Council (Council) reaffirms its endorsement of an integrated funding plan for the waterfront which leverages a range of funding sources to pay for the Central Waterfront Improvement Program. This plan, previously endorsed in Resolution 31399, includes a Local Improvement District (LID) for certain components of the Central Waterfront Improvement Program to be funded by property assessments to be levied upon benefited properties, philanthropic donations raised by the Friends of Waterfront Seattle (Friends), and substantial investments from the City and State of Washington (State). Since that time,

City commitments to the Central Waterfront Improvement Program have been reflected in the City's Capital Improvement Plan (CIP), and State commitments have been formalized in a Funding Agreement between the City and the State that was approved by Council and executed on August 2, 2017.

Section 3. Local Improvement District. The City intends to create an LID in 2018 to fund a portion of the Central Waterfront Improvement Plan. The LID assessment amounts will be determined through the development of a special benefit analysis, in which a licensed real estate appraiser or appraisers will undertake an analysis that identifies the special benefit to real estate in the downtown area associated with the improvements included with the LID. The LID will assess downtown property owners for a portion of the special benefit.

The Office of the Waterfront (OW), the Department of Finance and Administrative Services (FAS) and the City Clerk's Office will utilize a review process that will provide affected property owners the opportunity for review and comment of the proposed plans, as described in Attachment A.

Section 4. Philanthropic Campaign Plan. Since adoption of the Waterfront Strategic Plan in 2012, Friends has worked to lay the foundation for a successful capital campaign to raise \$100 million in private philanthropy to help fund the Central Waterfront Improvement Program. Friends is committed to raising these funds and is confident that capacity and interest are in place in the donor community in the Seattle region to allow the Friends to achieve its goal. Friends and the City have entered into an early campaign for the Pier 62 Rebuild, and Friends has exceeded its milestones for fundraising for that initial project and have raised \$5.1 million as of July 31, 2017.

The City and Friends recognize that philanthropy and the LID leverage each other and that funding milestones for each are mutually reinforcing. Friends' fundraising efforts to date have confirmed that Friends' ability to meet the overall goal for philanthropic support depends upon (i) confidence that the Central Waterfront capital improvements will be funded as described in Section 2 above, including the funding identified in the Funding Plan to be provided by the LID, (ii) the full scope of improvements being completed

by the City, and (iii) sufficient funding for operations and maintenance retained over time consistent with the current plan. Similarly, the City's successful formation of the LID is supported by a strong early indication of a successful philanthropic capital campaign with indications that the total philanthropic goal of \$100 million will be met over time. Subject to these conditions and prior to the introduction of the LID formation ordinance to Council, Friends will submit to the City Budget Director for the City's approval a Fundraising Plan for the \$100 million philanthropic campaign anticipated in the Funding Plan. The Director of the OW and the City Budget Director will inform the Mayor and Council regarding the results of their review of the Fundraising Plan and its approval or rejection. The parties will work together to ensure the Fundraising Plan, including a pledge and payment schedule, is realistic, has clear goals and milestones, and provides sufficient funding to meet the cash flow needs of construction. The parties currently anticipate that this plan will include initial pledges representing no less than 25% of the total amount of Friends' fundraising commitment. The parties anticipate these pledges will be confirmed prior to the formation of the LID, with the City Budget Director having opportunity to review these commitments. These initial pledges will include funds raised as part of the early campaign for the Pier 62 Rebuild. The City Budget Director will monitor progress on the Fundraising Plan and inform the Mayor and Council of the status of the fundraising on a regular basis. OW will coordinate with Friends to support its implementation and administration of the Fundraising Plan.

Section 5. Partnership for Management and Operations. The Central Waterfront Strategic Plan, endorsed by Council through Resolution 31399 in 2012, cited the benefits other cities have found in collaborating with nonprofit entities for the operations and management of urban parks and public spaces. In that same resolution, the City supported the creation of the non-profit Friends of Waterfront Seattle to advocate for implementing the Central Waterfront Framework Plan and Concept Design. In 2012, Friends was created as a 501(c)(3) non-profit organization. Since then, the City has further formalized a relationship with Friends through contractual agreements for outreach, operating of the Waterfront Space, programming and activation on the Central Waterfront, and the joint funding of Pier 62/63.

Building on these past actions, the City recognizes that partnerships with non-profit organizations like Friends will support the success of the Central Waterfront as a public space, provide opportunities to enhance daily maintenance, provide special programming, and expand access to the waterfront park consistent with the City's Guiding Principle to create a "waterfront for all."

To this end, the City intends to work with Friends to reach an agreement for the long-term provision of high quality operation and management services commensurate with the quality of programming envisioned in the public planning for the waterfront and as reflected in the improvements included in the Central Waterfront Improvement Program. The City and Friends have developed a relationship in the stewardship of waterfront parks and open spaces which supports an overall role for Friends in overseeing operations and management of the finished park. OW and the Parks and Recreation Department (SPR) will work towards an agreement to formalize Friend's role as the primary non-profit operation and management provider for the Central Waterfront Improvement Program in the form of an Operating Agreement. It is anticipated that this Agreement will include the provision of maintenance by a dedicated and consistent team of SPR staff, funded through a \$3.5 million Seattle Park District (District) allocation.

Section 6. Future Legislative Actions. In order to advance the final elements of the Waterfront Funding Plan, including forming an LID and developing a partnership for operations and management between the City and Friends, the Council understands that staff from OW, working in collaboration with its partners and other City departments, plan to submit the following items for legislative action:

1. LID Formation. A series of legislative actions will be necessary to form the LID. The City intends to submit the following, commencing in 2018: a resolution stating Council's intent to form the LID; an ordinance to form the LID that will include a preliminary LID assessment roll; a resolution setting assessment roll hearing date(s); and a subsequent ordinance to confirm and levy the final LID assessment roll. OW and FAS intend to submit all necessary legislation to support the timing of an LID formation and assessment roll confirmation as outlined in Attachment A.

2. Fundraising Plan. In 2018, a legislative action setting forth the manner by which the City will accept the payments made by Friends in accordance with the pledge and payment schedule outlined in the Fundraising Plan to be submitted to the City Budget Director for the City's approval.
3. City/Friends Operating Agreement: In 2018, OW, SPR and Friends will jointly develop a long-term agreement for operating and maintaining park elements of the Central Waterfront. The Operating Agreement, which will be formalized by the City through an ordinance, is anticipated to include the following elements:
  - a. Maintenance. A scope of work that identifies baseline maintenance to be provided by the appropriate City department as well as enhanced maintenance to be provided by a dedicated and consistent team of SPR staff working in partnership with Friends. OW, SPR, and Friends will jointly develop this scope of work and a staffing plan. It will include the following, subject to bargaining where necessary:
    - i. A scope and level of service for all aspects of the new waterfront public spaces jointly agreed upon by Friends, OW and SPR.
    - ii. Staffing levels to support maintenance of waterfront public spaces, utilizing the \$3.5M in dedicated baseline funding from the District, subject to future review and adjustment to reflect actual costs and inflation. All staff funded by the District will be full City employees and receive all compensation, benefits, and representation accorded to City staff in comparable positions. Friends will identify and commit to fill key management positions necessary to successfully oversee maintenance operations, including an Operations Director.
    - iii. Protocols for Friends to request work changes and provide SPR direction in a way that allows for timely maintenance and meets the agreed upon level of service.
    - iv. Protocols for Friends to provide input into the selection of SPR staff and request

staffing changes, and to integrate volunteer opportunities that supplement park operations.

- v. Protocols for work locations, conditions, and attire which achieve the goal of a dedicated waterfront maintenance team under the leadership of Friends, including training as appropriate to perform the necessary duties at the agreed upon level of service.
  
- b. Programming and Activation. To successfully provide a strong and diverse activation and programming schedule, protocols will be established that allow Friends to permit and program waterfront spaces, host free public events, and manage concessions. Friends shall be required to host a minimum number of free public events each year in partnership with community-based organizations across the city. Any event revenues shall support park operations and programming. Any permit requests related to free speech demonstrations will be handled in a similar manner as in the SPR and Downtown Seattle Association (DSA) contract for the operations and management of Westlake and Occidental parks with Friends managing all permitting requests except for those relating to free speech demonstrations, which would be managed by SPR.
  
- c. Phasing. Allowance for phased operation and management of elements of the Waterfront Improvement Program as they are finished.
  
- d. Budget. An integrated funding plan for operations of the park spaces that includes, but is not limited to, the District's \$3.5 million budget allowance for the Central Waterfront Improvement Program; revenue generated and expended by Friends through concessions, permitting, and special events; and private fundraising by Friends.
  
- e. Accountability. A set of annual reporting requirements that provide accountability and information to the City and the public including: an annual report to Council; data and

performance metrics on the level of public use and enjoyment of waterfront public spaces; and an accounting of funds and leveraging through partnerships.

- f. City Oversight and Participation. Participation by professional City staff in Friends organization and operations including two (2) permanent ex-officio seats on Friends' Board of Directors, one to be the Superintendent of SPR and one to be the Director of OW (or Mayor's designee).
- g. Agreement Review. A term of no less than five (5) years, at which point both parties will review and adjust the Operating Agreement as necessary to ensure it meets the goals as stated therein.
- h. Oversight Committee. Creation of an Oversight Committee concurrent with the opening of the waterfront park improvements that will review status of park maintenance, daily programming, special events, public safety, and other operational aspects to advise the Council, the Mayor, SPR, and Friends on a regular basis.
- i.

Adopted by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2017, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

The Mayor concurred the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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Edward B. Murray, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

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Monica Martinez Simmons, City Clerk

(Seal)

**Attachments:**

Attachment A - Timeline for LID Formation and Assessment Roll Confirmation